



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

May 16, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

QUARTERLY REPORT ON COMMUNITY REDEVELOPMENT AGENCY (CRA) ACTIVITY (FIRST QUARTER 2008)

In response to the increased level of CRA activity in the County and this Office's augmented role in analyzing and scrutinizing these activities, we provided your Board with an initial "Quarterly Report on CRA Issues" on October 12, 2000. Attached is the latest Quarterly Report covering activities during the first quarter of the calendar year. As we indicated in our initial report to your Board, and consistent with the Board-approved policies and procedures, this Office works closely with the Auditor-Controller, County Counsel, and appropriate Board offices in: analyzing and negotiating proposals by redevelopment agencies to amend existing redevelopment agreements; reviewing proposed new projects for compliance with redevelopment law, particularly blight findings and determining appropriate County response; and ensuring appropriate administration of agreements and projects.

The attached report reflects a summary of the following activities during the quarter:

- Notifications provided to the Board regarding new projects;
- Board letters/actions; and
- Major ongoing issues and other matters, including litigation.

Please let me know if you have any questions, or your staff may contact Robert Moran at (213) 974-1130.

WTF:LS
DSP:RTM:ib

Attachment

c: Auditor-Controller
County Counsel

COMMUNITY REDEVELOPMENT AGENCY (CRA) ISSUES
Quarterly Report – First Quarter 2008

New CRA Projects - Routine Notifications/Reports Provided to Board

CRA Projects	District	Type of Notification	Date
City of Los Angeles Amendment to the Laurel Canyon Redevelopment Project	3rd	Notice of Preliminary Report	March 24, 2008

Board Letters/Actions During Quarter

CRA Projects	District	Action	Date of Board Action
None			

Major Ongoing or Emergent CRA Issues

Azusa (First District)

Issue: The City is proposing to increase the tax increment limit and add 15 acres to the Merged Central Business District and West End Redevelopment Project.

Status: The City proposes minor modifications to a similar proposal submitted in 2007. This Office determined that the City's proposal was consistent with Community Redevelopment Law at that time, and will confirm that the revised plan is also consistent with CRL.

Baldwin Park (First District)

Issue: The City is contemplating changes to its Central Business District Redevelopment Project in order to allow for the development of a transit-oriented residential and retail project.

Status: The City is working on the details of the proposal. This Office will analyze the City's tax increment projections, and the County's consultant will review the proposal for feasibility. The County informed the City that any contribution of County tax share would be in the form of a loan which would require repayment in the out years.

El Monte (First District)

Issue: The City proposed changes to its Downtown Redevelopment Project in order to allow for the development of a transit-oriented project. The proposed changes include a ten-year extension of the Project and adjustments to the County pass-through share of tax increment in order to fund infrastructure improvements.

Status: The County informed the City that a contribution of County tax share would be in the form of a loan which would require repayment in the out years. Also, the County's real estate consultant will be required to review the developer's plans. The County's consultant is waiting for information requested of the City's developer.

City of Industry (First District)

Issue: The City proposes adoption of a new redevelopment project, Project No. 4. The Project includes 77 acres located in the northwest corner of the City.

Status: This Office negotiated with the City regarding Project No. 4 in 2007, and expressed concerns that portions of the proposed project did not meet the blight requirements consistent with Community Redevelopment Law. The City ultimately reduced the size of the project from 291 to 77 acres. This Office was satisfied that the remaining area meets the legal blight requirements.

South El Monte (First District)

Issue: The City proposed the County invest a portion of its share of tax increment to assist in financing a number of redevelopment projects.

Status: The County informed the City that a contribution of County tax share would be in the form of a loan which would require repayment in the out years. Also, the County's real estate consultant will be required to review the developer's plans. This Office will continue to work with the City.

South Gate (First District)

Issue: The City is contemplating a new redevelopment project, and has asked this Office to review its initial proposal.

Status: This Office toured the proposed project area, and will review in detail the blight findings presented by the City, likely in mid 2008.

Litigation

Glendora (Fifth District)

Issue: The City adopted Project No. 5 on July 18, 2006. The Project would merge three of the City's existing redevelopment areas; increase the tax increment cap on one of the existing projects; establish a new redevelopment project; and reestablish the authority to use eminent domain in the existing project areas.

Status: The County filed a lawsuit objecting to the Project on the grounds that the proposed new Project Area No. 5 does not meet the blight requirements; Project No. 3 lacks significant remaining blight to justify an increase in the project cap; the Agency has not made a finding of public benefit required to merge the projects; and the evidence presented by the City was outdated and misleading. The preliminary decision was in favor of the County. The City is contemplating an appeal.